GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES & MINERALS - M/s APMDC – Quarry Leasehold Rights and Mining Rights over 436 New Minor Mineral Projects to APMDC – Orders – Issued.

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INDUSTRIES & COMMERCE (M.III) DEPARTMENT

G.O.Ms. No.69 Dated:24.04.2025

Read the following:

1. Govt.Memo No:2713031/M.III/2025-1-436, Dated:11.02.2025 & 10.03.2025.
2. G.O.Ms.No.32 Ind & Comm. (M.III) Dept., dt.11.03.2025
3. G.O.Ms.No.33 Ind & Comm. (M.III) Dept., dt.12.03.2025
4. Govt.L Lr.No:2787284/M.III/2025, Dated:10.04.2025.
5. From the VC&MD, APMDC, single e-file (Comp No: 2788656), ated:22.04.2025.

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ORDER:

In the memo 1st read above, Government have accorded permission to the Department of Mines & Geology, for the grant of quarry leasehold rights and mining rights to APMDC over 436 (Four Hundred and Thirty-Six) new minor mineral projects in the State of Andhra Pradesh ("Mineral Projects"), on nomination basis.

2. In the G.O 2nd read above, Government has accorded permission to the VC&MD, APMDC for the proposed issuance of Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures ("**Bonds**") on private placement basis for an amount upto Rs. 9,000 Crs(Rupees Nine thousand Crores only) to *inter alia* acquire and develop new mining projects as well as invest in any other profitable ventures.

3. In the G.O.3rd read above, Government have issued approval for *"Providing Government Guarantee for an amount of Rs. 9,000 Crores (Rupees Nine Thousand Crores only)"* for the proposed bonds of APMDC.

4. In the circumstances reported by the Vice-Chairman & Managing Director, APMDC vide reference 5th read above, the Government, after careful examination of the matter hereby accord:

(a) Grants to APMDC, quarry leasehold rights and mining rights over 436 new minor mineral projects, on a nomination basis.

(b) Confirms that the grant of the quarry leasehold rights and mining rights over the 436 new minor mineral projects shall not be amended / terminated / modified, etc. under any circumstances in any manner which is prejudicial to the interests of, or in any manner adversely effects the holders of / subscribers to the Bonds.

(c) resolves to take all necessary actions (including passing relevant government orders and procuring that the necessary orders and consents from the Commissioner and Director of Mines & Geology and other Government Authority (ies) (as may be required) are issued) in respect of quarry leasehold rights and mining rights to APMDC in accordance with the prescribed procedure under the APMMC Rules and other applicable laws.

(d) hereby accords its approval:

(i) to the minor minerals pre-feasibility reports submitted by the Recognized Qualified Persons (RQPs) for the 436 new minor mineral quarry leases that have been identified to be granted to APMDC for taking up mining projects, containing estimation of reserves, sale value of the minor minerals and the estimated value of the minor mineral reserves therein.

(ii) to APMDC to provide exclusive charge by way of charge / hypothecation, on the quarry leasehold rights and mining rights over the 436 new minor mineral projects, granted pursuant to this G.O., including any replacement thereof as well as all cash flows arising therefrom, as security for the Bonds in favour of any debenture trustee appointed in relation to the proposed issuance of Bonds, having aggregate mineral reserves whose estimated value is not less than INR 191,000 Crores (Indian Rupees One Lakh Ninety One Thousand Crores only) and the Net Present Value (NPV) of whose future cash flows, discounted at 9.50% per annum, is estimated at not less than INR 9,500 Crores (Indian Rupees Nine Thousand Five Hundred Crores only). The APMDC is authorised to recognise the said rights over the 436 new minor mineral projects as an intangible asset in their financial statements for the estimated value of not less than INR 9,500 Crores (Indian Rupees Nine Thousand Five Hundred Crores), as mentioned above, which will be progressively reduced over the years to the extent of the mineral extractions from such mines.

(iii) for the quarry leasehold rights and mining rights of the 436 new minor mineral projects to vest with APMDC immediately and forthwith upon passage of this government order(s).

(iv) for APMDC to make payment of the amounts, as mutually agreed between the Government and the APMDC, payable towards consideration, premium, etc. of such quarry leasehold rights and mining rights in relation to the 436 new minor mineral projects, including any replacement thereof. The said amounts shall be paid by APMDC out of the proceeds of Bonds issuance available with it, after meeting DSRA funding, issue related expenses and full and final settlement of the outstanding external loans. In case of any

shortfall, APMDC can meet the same from the surplus as and when available under the water fall mechanism per the transaction documents of the Bonds. Apart from the amounts specified above, no further amounts shall be payable by the APMDC to the Government in respect of the lease rights and mining rights of such 436 new minor mineral projects.

(v) to any debenture trustee (or any other person acting for the debenture trustee) appointed in relation to the proposed issuance of Bonds, to transfer or assign (and perform all acts required for such transfer or assignment) the quarry leasehold rights and mining rights over the 436 new minor mineral projects, including any replacement thereof, in the event of enforcement of security provided by APMDC in respect of the aforementioned Bonds, and for APMDC to, at any time, provide any authorisation(s) as may be required in this regard.

(vi) to the relevant District Mines & Geology Officer (DMGO) / Divisional Mines & Geology Officer (Div. MGO) to enter into / execute the relevant lease agreement(s) and all other documents, deeds, notices, letters, agreements, declarations, undertakings, instruments and forms as may be required in relation to or in connection with or for the purposes of the quarry leasehold rights and mining rights over the 436 new minor mineral projects, including any replacement thereof to APMDC, and the operations of the said mines / quarries shall be undertaken by APMDC after receipt of all necessary clearances from relevant authorities (including without limitation, required approvals from the relevant District Mines & Geology Officer (DMGO) / Divisional Mines & Geology Officer (Div. MGO)), as required under the APMMC Rules and other applicable laws.

(vii) for APMDC to assign, underlet, or part with the possession of the 436 new minor mineral projects, including any replacement thereof, (or any of them) (including any part(s) thereof) without having to first obtain specific written consent of the Government under any applicable laws.

(e) hereby agrees and confirms that in case any of the 436 new minor mineral projects cannot be made operational for any reason whatsoever, the Government shall undertake all required steps and do all such acts as may be required to replace such relevant non-operational minor mineral project(s), with new minor mineral project(s) which have Net Present Value of future cash flows of such amounts as are not less than the Net Present Value of future cash flows of the relevant non-operational minor mineral project(s) and undertake all steps for the grant of the quarry leasehold rights and mining rights in respect of such replaced minor mineral project(s).

(f) the APMDC is directed that till the Bonds are outstanding, not to create encumbrance of whatsoever nature, in favour of any entity(ies) other the debenture trustee of the proposed Bonds, in respect of the quarry lease rights and mining rights of the minor mineral mines which have been granted to the Company.

6. The Vice Chairman & Managing Director, Andhra Pradesh Mineral Development Corporation Limited shall take necessary further action accordingly in the matter.

7. This order issued with the concurrence of the Finance Department vide U.O.No. FIN01-FMU0ASD(IC)/7/2025-FMU-IC-IIE , Dated.24.04.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRAVIN KUMAR
SECRETARY TO GOVERNMENT (MINES)

To:
The VC&MD, Andhra Pradesh Mineral Development Corporation.
Copy to:
The Commissioner & Director of Mines & Geology, A.P, Ibrahimpatnam, NTR District.
The Finance (FMU, I&C, I&I & Energy) Department.
The PS to Spl.CS to CM.
The O.S.D to Minister (M&G)
The P.S to Secy (Mines)
SF/SC

//FORWARDED BY ORDER//

SECTION OFFICER